

EVERSHEDS SUTHERLAND (US) LLP
Ian S. Shelton (SBN 264863)
ianshelton@eversheds-sutherland.com
500 Capitol Mall, Suite 1750
Sacramento, CA 95814
Telephone: (916) 844-2965
Facsimile: (916) 241-0501

EVERSHEDS SUTHERLAND (US) LLP
Michael Bahar (*PHV* pending)
michaelbahar@eversheds-sutherland.com
700 Sixth Street, NW, Suite 700
Washington, DC 20001-3980
Telephone: (202) 383-0882
Facsimile: (202) 637-3593

*Attorneys for Defendants Nexo Financial LLC, Nexo
Financial Services Ltd., Nexo Services OU, Nexo AG,
and Nexo Capital Inc.*

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

JUNHAN JEONG, individually and on behalf
of himself and all others similarly situated,

Plaintiff,

vs.

NEXO FINANCIAL LLC, NEXO
FINANCIAL SERVICES LTD., NEXO
SERVICES OU, NEXO AG, and NEXO
CAPITAL INC.,

Defendants.

CASE NO. 5:21-CV-02392-BLF

The Honorable Beth Labson Freeman

**DECLARATION OF
ANTONI TRENCHÉV**

Hearing Date: November 18, 2021
Hearing Time: 9:00 a.m.

Courtroom: No. 3, 5th Floor
Address: U.S. Courthouse
280 South 1st Street
San Jose, CA 95113

- 1 1. My name is Antoni Trenchev. I am more than twenty-one years old, and I have personal
- 2 knowledge of the facts stated herein.
- 3 2. I am a director of Nexo Capital Inc. (“Nexo”). I occupied this position during December
- 4 2020 when the events referenced in Plaintiff Junhan Jeong’s lawsuit occurred. In my role,
- 5 I am familiar with Nexo’s various Terms and Conditions. I am also familiar with the
- 6 named defendants in this lawsuit, including their corporate structure.
- 7 3. Nexo offers various services to the clients who use its online platform. For one of those
- 8 services, Nexo extends lines of credit to its clients secured by cryptocurrency collateral.
- 9 4. As part of participating in Nexo’s platform, Mr. Jeong agreed to be bound by a set of
- 10 Terms and Conditions. All clients of the platform agree to the
- 11 “General Terms,” “Wallet Terms,” “Exchange Terms,” and “Earn Terms,” and
- 12 subsequently those clients who request credit lines also agree to the “Borrow Terms.”
- 13 5. A true and correct copy of Nexo’s General Terms and Conditions is attached as **Exhibit A**.
- 14 6. A true and correct copy of Nexo’s Wallet Terms and Conditions is attached as **Exhibit B**.
- 15 7. A true and correct copy of Nexo’s Earn Terms and Conditions is attached as **Exhibit C**.
- 16 8. A true and correct copy of Nexo’s Borrow Terms and Conditions is attached as **Exhibit D**.
- 17 9. Nexo also has a set of Exchange Terms and Conditions, but these were implemented after
- 18 the events referenced in Mr. Jeong’s lawsuit occurred.
- 19 10. On December 22, 2020, the Securities and Exchange Commission (“SEC”) filed a lawsuit
- 20 against Ripple Labs Inc. (“Ripple”) and its CEO and Board Chairman. A true and correct
- 21 copy of the SEC’s Complaint is attached as **Exhibit E**. Mr. Jeong references the SEC
- 22 lawsuit in paragraphs 5 and 52 of his complaint.
- 23 11. On December 22, 2020, in conjunction with its lawsuit, the SEC also issued a press release
- 24 outlining the allegations against Ripple and its management. A true and correct copy of
- 25 the SEC’s Press Release is attached as **Exhibit F**. Mr. Jeong references the SEC
- 26 announcement in paragraphs 5 and 52 of his complaint.
- 27 12. Mr. Jeong has sued five different defendants in this lawsuit: Nexo Capital Inc., Nexo
- 28 Financial LLC, Nexo Financial Services Ltd., Nexo Services OÜ, and Nexo AG.

1 (collectively, “Defendants”).

2 13. Defendants seek dismissal of three foreign defendants for lack of personal jurisdiction:

3 Nexo Financial Services Ltd., Nexo Services OÜ, and Nexo AG (collectively, the
4 “European Nexo Entities”).

5 14. Nexo Financial Services Ltd. is a United Kingdom company located at 1 Canada Square
6 Floor 39, Canary Wharf, London, United Kingdom, E14 5AB. Nexo Financial Services
7 Ltd. is not incorporated and does not have its principal place of business in California.
8 Nexo Financial Services Ltd. is not registered to do business in California. Nexo Financial
9 Services Ltd. does not maintain an office in California. Nexo Financial Services Ltd. does
10 not have any operations or employees in California. Nexo Financial Services Ltd. is not
11 the operating entity that issued the credit line that is the subject of this lawsuit.

12 15. Nexo Services OÜ is an Estonian company located at Tornimäe tn 5
13 Tallinn, 10145 Estonia. Nexo Services OÜ is not incorporated and does not have its
14 principal place of business in California. Nexo Services OÜ is not registered to do
15 business in California. Nexo Services OÜ does not maintain an office in California. Nexo
16 Services OÜ does not have any operations or employees in California. Nexo Services OÜ
17 is not the operating entity that issued the credit line that is the subject of this lawsuit.

18 16. Nexo AG is a Swiss company located at Grafenastrasse 15 Zug, 6300 Switzerland. Nexo
19 AG is not incorporated and does not have its principal place of business in California.
20 Nexo AG is not registered to do business in California. Nexo AG does not maintain an
21 office in California. Nexo AG does not have any operations or employees in California.
22 Nexo AG is not the operating entity that issued the credit line that is the subject of this
23 lawsuit.

24 17. The European Nexo Entities maintain their own separate corporate structures. They are
25 distinct business entities from Nexo Capital Inc. The European Nexo Entities are
26 incorporated and subject to regulation in different foreign jurisdictions, and they maintain
27 separate corporate formalities.

28 18. The European Nexo Entities are distinct business entities, have their own directors (though

1 some of those directors overlap), provide different types of services in different
2 geographical regions, have maintained corporate formalities, have been adequately
3 capitalized to meet their ongoing operational and financial obligations, have maintained
4 separate bank accounts, have not commingled assets or funds, have maintained separate
5 books and records, and have paid their own taxes, to the extent owed, in compliance with
6 governing accounting standards.

7 19. Nexo Capital Inc. is a Cayman Islands company with its principal place of business in the
8 United Kingdom. Nexo Capital Inc. issued the credit line to Mr. Jeong that is the subject
9 of this lawsuit.

10 20. Defendants also seek dismissal of Nexo Financial LLC for lack of personal jurisdiction.

11 Nexo Financial LLC is incorporated in Delaware and has its principal place of business in
12 the United Kingdom. Nexo Financial LLC is not the operating entity that issued the credit
13 line that is the subject of this lawsuit. Nexo Financial LLC obtained a California Finance
14 Lender (“CFL”) License on February 26, 2021—after the events referenced in Mr. Jeong’s
15 lawsuit occurred in December 2020. While Nexo Financial LLC is registered to do
16 business and has a registered agent for service of process in California, it is my
17 understanding that those facts alone are insufficient to establish general personal
18 jurisdiction over Nexo Financial LLC.

19 21. Nexo Financial LLC maintains its own separate corporate structure from Nexo Capital Inc.
20 They are distinct business entities, and they maintain separate corporate formalities.

21 22. Nexo Financial LLC and Nexo Capital Inc. are distinct business entities, have their own
22 directors (though some of those directors overlap), provide different types of services, have
23 maintained corporate formalities, have been adequately capitalized to meet their ongoing
24 operational and financial obligations, have maintained separate bank accounts, have not
25 commingled assets or funds, have maintained separate books and records, and have paid
26 their own taxes, to the extent owed, in compliance with governing accounting standards.

27 23. Neither the European Nexo Entities nor Nexo Financial LLC dictate every facet of the
28 business of Nexo Capital Inc., from broad policy decisions to routine matters of day-to-day

1 operation.

2
3 I swear under penalty of perjury under the laws of the United States that the foregoing is
4 true and correct.

5 DATED: July 12, 2021

6
7
8 By 
9 Antoni Trenchev
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28